REMARKS

Claims 1 - 5, 7 – 21, and 26 are in the application. Claims 1, 16, and 21 are currently amended; claims 2 – 4, 10, 14, and 26 were previously presented; claims 6, and 22 – 25 are canceled; and claims 5, 7 – 9, 15, and 17 – 20 remain unchanged from the original versions thereof. Claims 1, 16, and 21 are the independent claims herein.

No new matter has been added to the application as a result of the amendments submitted herewith. Reconsideration and further examination are respectfully requested.

Claim Rejections Under 35 USC § 103(a)

Claims 1 – 5, 7 – 21, and 26 were rejected as being unpatentable over Basch et al., U.S. Pat. No. 6,119,103 (hereinafter, Basch) in view of Packwood, U.S. Pat. No. 7, 006,992 (hereinafter, Packwood). This rejection is respectfully traversed.

Applicant reiterates that Basch is fundamentally and centrally concerned with and directed to a computer-implemented method for predicting financial risk. Basch discloses financial risk prediction techniques that use scoreable transactions as input data to assess the level of financial risk of a particular account and/or account holder. Examples of scoreable transactions include, for example, authorization requests for purchases of goods or services made on credit, clearing and settlement transactions between merchants and account issuers pertaining to one or more accounts, account issuer-supplied account records, public records, and the like. (See Basch, col. 5, ln. 8-16)

Basch, as a whole and even as parsed according to the various example implementations therein, explicitly and exclusively relates to financial risks. Per the very direct disclosure statements provided in Basch, Applicant respectfully submits that the cited and relied upon combination of Basch and Packwood is improper given the explicit teachings of Basch. That is, Basch is so very clear and unambiguous regarding the

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direct and limited application of the methods and systems therein to financial risk that the combination of Basch and Packwood asserted in the Office Action to reject the pending claims is improper since it is contrary to the disclosure and teachings of the cited references.

Applicant notes that Basch discloses,

In accordance with one aspect of the present invention, there are provided improved financial risk prediction techniques that advantageously employ scoreable transactions as input data to assess the level of financial risk of a particular account and/or account holder. As the term is employed herein, scoreable transactions represent events pertaining to an account and/or an account holder that impact the financial risk level of that account and/or account holder. Examples of scoreable transactions include, for example, authorization requests for purchases of goods or services made on credit, clearing and settlement transactions between merchants and account issuers pertaining to one or more accounts, account issuer supplied account records, public records, and the like.

Unlike prior art risk prediction techniques which typically employ only historical payment data for financial risk assessment purposes, the present invention advantageously takes advantage of the immediacy of scoreable transactions in assessing financial risks. Since scoreable transactions more accurately reflect the current financial risk level of a particular account and/or account holder than historical payment data, the use of scoreable transactions in assessing financial risk advantageously enables account issuers to timely receive financial risk scores based on events that impact financial risk rather than on data which are updated only monthly or per billing cycle.

In accordance with another aspect of the present invention, the scoreable transactions are further analyzed to ascertain a scoreable transaction pattern. The scoreable transaction pattern ascertained is then scored to assess the financial risk level of a particular account and/or account holder. If, for example, the scoreable transaction pattern reveals a spending pattern suggestive of a high likelihood of bankruptcy, credit loss or fraudulent usage, an appropriate financial risk score may be sent to subscribing account issuer(s) to enable those account issuers to take steps to protect the credit lines (e.g., refusing to authorize additional purchases until an investigation is undertaken). Since the pattern is based on the immediacy of scoreable transactions, the risk of bankruptcy, credit loss or fraudulent usage may be detected even if all transactions

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suggestive of such an enhanced level of financial risk occur solely in between billing cycles.

In accordance with yet another aspect of the present invention, there are provided improved financial risk prediction techniques that advantageously analyze scoreable transactions across accounts and/or account issuers (i.e., at the account holder level instead of account level). (emphasis added)(See Basch, col. 5, lines 8 – 52)

Thus, it is abundantly clear that Basch specifically and unequivocally relates to a financial risk, specifically scoreable transactions that represent events pertaining to an account and/or an account holder that impact the financial risk level of that account and/or account holder.

Accordingly, the Office Action's statement that "[I]t would have been obvious to one with ordinary skill in the art at the time of the invention to include the step wherein the risk is at least one of a legal, regulatory, and reputational risk to the disclosure of Basch" is not supported by the cited and relied upon references but is in fact contrary to the very teachings of the cited references since the primary Basch reference particularly and without doubt relates to financial risk only, as explicitly defined by Basch.

Furthermore, Applicant also notes that Basch is directed towards a method and system for predicting financial risk. Specifically, Basch discloses a system and method for transmitting a financial score directly to an account issuer in an event the financial score determined by the disclosed system is below a predefined threshold. (See Basch, col. 3, ln. 50-62) The Basch disclosed system and method are directed to and address financial risks. Basch discusses financial risks that may be indicated by, for example, credit scores. Basch explicitly and repeatedly discloses that the specific and only risk considered therein are financial risks.

Again, regarding Applicant's claims 1, 16, and 21 (at least), Basch does not disclose or suggest the same type of legal, regulatory, and reputational risks claimed by Applicant. Basch relates to financial risk, as defined therein, to the exclusion of other risks.

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Thus, it is clear from the cited and relied upon Basch that combining Basch with Packwood as stated in the rejection is improper under 35 USC 103 since modifying Basch as would be required by the rejection is improper given the disclosure of Basch.

Therefore, for at least the foregoing reasons, Applicant respectfully submits that the cited and relied upon of combination of Basch and Packwood is improper and therefore does not render claims 1, 16, and 21 obvious under 35 USC 103(a). Claims 2 – 5, 7 – 15, and 26 depend from claim 1 and claims 17 – 20 depend from claim 16. Applicant respectfully submits that claims 2 – 5, 7 – 20, and 26 are patentable over Basch and Packwood for at least the same reasons provided herein regarding claims 1 and 16.

Therefore, the reconsideration and withdrawal of the rejection of claims 1 – 5, 7 – 21, and 26 under 35 USC 103(a) are respectfully requested, as is the allowance of same.

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CONCLUSION

Accordingly, Applicants respectfully request allowance of the pending claims. If any issues remain, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is kindly invited to contact the undersigned via telephone at (203) 972-5985.

Respectfully submitted,

April 23, 2007
Date

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